

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



**中國銀行股份有限公司**  
**BANK OF CHINA LIMITED**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(the "Bank")**

**(Stock Code: 3988 and 4601 (Preference Shares))**

**Report for the First Quarter ended 31 March 2019**

The Board of Directors (the "Board") of the Bank is pleased to announce the unaudited results of the Bank and its subsidiaries (the "Group") for the first quarter ended 31 March 2019. This announcement is made by the Bank pursuant to Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

## **I. BASIC INFORMATION**

### **1.1 Corporate information**

#### **A Share**

|                      |                             |
|----------------------|-----------------------------|
| <b>Stock name</b>    | 中國銀行                        |
| <b>Stock code</b>    | 601988                      |
| <b>Listing venue</b> | The Shanghai Stock Exchange |

#### **H Share**

|                      |   |
|----------------------|---|
| <b>Stock name</b>    | Bank of China                           |
| <b>Stock code</b>    | 3988                                    |
| <b>Listing venue</b> | The Stock Exchange of Hong Kong Limited |

#### **Domestic Preference Share**

##### **First Tranche**

|                   |        |
|-------------------|--------|
| <b>Stock name</b> | 中行優1   |
| <b>Stock code</b> | 360002 |

##### **Second Tranche**

|                      |                             |
|----------------------|-----------------------------|
| <b>Stock name</b>    | 中行優2                        |
| <b>Stock code</b>    | 360010                      |
| <b>Trading venue</b> | The Shanghai Stock Exchange |

#### **Offshore Preference Share**

|                      |   |
|----------------------|---|
| <b>Stock name</b>    | BOC 2014 PREF                           |
| <b>Stock code</b>    | 4601                                    |
| <b>Listing venue</b> | The Stock Exchange of Hong Kong Limited |

#### **Secretary to the Board of Directors and Company Secretary**

|                        |  |
|------------------------|--|
| <b>Contact address</b> | MEI Feiqi (梅非奇)<br>No. 1 Fuxingmen Nei Dajie, Beijing, China, 100818 |
| <b>Telephone</b>       | (86) 10-6659 2638  |
| <b>Facsimile</b>       | (86) 10-6659 4568  |
| <b>E-mail</b>          | ir@bankofchina.com   |

## 1.2 Key financial data and performance indicators

### 1.2.1 Key financial data and performance indicators for the Group prepared in accordance with International Financial Reporting Standards (“IFRS”)

Unit: RMB million (unless otherwise stated)

| Items   | As at<br>31 March<br>2019                 | As at<br>31 December<br>2018 | Change<br>(%)                       |
|---|---|------------------------------|-------------------------------------|
| Total assets  | <b>21,616,555</b>                         | 21,267,275                   | 1.64                                |
| Capital and reserves attributable to equity holders of the Bank | <b>1,703,552</b>                          | 1,612,980                    | 5.62                                |
| Net assets per share (RMB)                                      | <b>5.31</b>                               | 5.14                         | 3.34                                |
| Items   | Three-month period<br>ended 31 March 2019 |                              | Change<br>(%)                       |
| Operating income  | <b>141,006</b>                            |                              | 11.83                               |
| Profit for the period   | <b>54,788</b>                             |                              | 4.99                                |
| Profit attributable to equity holders of the Bank               | <b>50,965</b>                             |                              | 4.01                                |
| Basic earnings per share (RMB)*                                 | <b>0.17</b>                               |                              | 4.14                                |
| Diluted earnings per share (RMB)*                               | <b>0.17</b>                               |                              | 4.14                                |
| Return on average equity (%)*                                   | <b>13.03</b>                              |                              | Down by 0.89<br>percentage<br>point |
| Net cash outflow from operating activities                      |   | <b>(235,156)</b>             | -161.45                             |
| Net cash outflow from operating activities per share (RMB)      |   | <b>(0.80)</b>                | -161.45                             |

\* The impact of annualised preference shares dividends declared in the current reporting period has been considered in the calculation of the above data and/or indicators.

### 1.2.2 Differences between IFRS and Chinese Accounting Standards (“CAS”) consolidated financial statements

There are no differences in the Group’s operating results for the three-month period ended 31 March 2019 and 2018 or the total equity as at 31 March 2019 and as at 31 December 2018 presented in the Group’s consolidated financial statements prepared under IFRS and those prepared under CAS.

### 1.3 Number of ordinary shareholders and top ten ordinary shareholders

#### 1.3.1 Number of ordinary shareholders as at 31 March 2019: 735,614 (including 548,481 A-Share Holders and 187,133 H-Share Holders)

#### 1.3.2 Top ten ordinary shareholders as at 31 March 2019

Unit: share

| No. | Name of ordinary shareholder  | Number of shares held as at the end of the reporting period | Percentage of total ordinary shares | Number of shares subject to selling restrictions | Number of shares pledged or frozen | Type of shareholder      | Type of ordinary shares |
|-----|---|---|-------------------------------------|--|------------------------------------|--------------------------|-------------------------|
| 1   | Central Huijin Investment Ltd.  | 188,461,533,607   | 64.02%                              | –  | None                               | State                    | A                       |
| 2   | HKSCC Nominees Limited  | 81,909,363,045  | 27.82%                              | –  | Unknown                            | Foreign legal person     | H                       |
| 3   | China Securities Finance Co., Ltd.  | 8,596,044,925   | 2.92%                               | –  | None                               | State-owned legal person | A                       |
| 4   | Central Huijin Asset Management Ltd.  | 1,810,024,500   | 0.61%                               | –  | None                               | State-owned legal person | A                       |
| 5   | Buttonwood Investment Platform Ltd.   | 1,060,059,360   | 0.36%                               | –  | None                               | State-owned legal person | A                       |
| 6   | HKSCC Limited   | 725,711,664   | 0.25%                               | –  | None                               | Foreign legal person     | A                       |
| 7   | MUFG Bank, Ltd.   | 520,357,200   | 0.18%                               | –  | Unknown                            | Foreign legal person     | H                       |
| 8   | China Pacific Life Insurance Co., Ltd.<br>— China Pacific Life Insurance<br>Dividend Equity Portfolio (Traditional)<br>with management of Changjiang Pension<br>Insurance Co., Ltd. | 382,238,605   | 0.13%                               | –  | None                               | Other                    | A                       |
| 9   | China Life Insurance Company Limited<br>— dividend — personal dividend<br>— 005L — FH002SH  | 336,337,748   | 0.11%                               | –  | None                               | Other                    | A                       |
| 10  | China Life Insurance Company Limited<br>— traditional — general insurance<br>product — 005L — CT001SH   | 214,283,413   | 0.07%                               | –  | None                               | Other                    | A                       |

#### Notes:

- The number of shares held by H-Share Holders was recorded in the register of members kept at the H-Share Registrar of the Bank.
- HKSCC Nominees Limited acted as the nominee for all the institutional and individual investors that maintain an account with it as at 31 March 2019. The aggregate number of the Bank's H Shares held by HKSCC Nominees Limited included the number of shares held by National Council for Social Security Fund.
- Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd.
- HKSCC Limited is the nominee holder who holds securities on behalf of others. The securities included the SSE securities acquired by Hong Kong and overseas investors through Shanghai-Hong Kong Stock Connect.
- China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH and China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH are both under management of China Life Insurance Company Limited.
- Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.

## 1.4 Number of preference shareholders and top ten preference shareholders

### 1.4.1 Number of preference shareholders as at 31 March 2019: 48 (including 47 domestic preference shareholders and 1 offshore preference shareholder)

### 1.4.2 Top ten preference shareholders as at 31 March 2019

Unit: Share

| No. | Name of preference shareholder  | Number of shares held as at the end of the reporting period | Percentage of total preference shares | Number of shares pledged or frozen | Type of shareholder                   | Type of preference shares  |
|-----|---|---|---------------------------------------|------------------------------------|---------------------------------------|----------------------------|
| 1   | Bank of New York Mellon Corporation   | 399,400,000   | 39.96%                                | Unknown                            | Foreign legal person                  | Offshore Preference Shares |
| 2   | China Mobile Communications Group Co., Ltd.   | 180,000,000   | 18.01%                                | None                               | State-owned legal person              | Domestic Preference Shares |
| 3   | China National Tobacco Corporation  | 50,000,000  | 5.00%                                 | None                               | State-owned legal person              | Domestic Preference Shares |
| 4   | Zhong Wei Capital Holdings Co., Ltd.  | 30,000,000  | 3.00%                                 | None                               | State-owned legal person              | Domestic Preference Shares |
| 5   | Yunnan Branch of China National Tobacco Corporation   | 22,000,000  | 2.20%                                 | None                               | State-owned legal person              | Domestic Preference Shares |
| 6   | China Life Insurance Company Limited<br>— dividend — personal dividend — 005L<br>— FH002SH                          | 21,000,000  | 2.10%                                 | None                               | Other                                 | Domestic Preference Shares |
| 7   | China Shuangwei Investment Co., Ltd.  | 20,000,000  | 2.00%                                 | None                               | State-owned legal person              | Domestic Preference Shares |
| 7   | National Social Security Fund Portfolio 304   | 20,000,000  | 2.00%                                 | None                               | Other                                 | Domestic Preference Shares |
| 7   | Bosera Fund — ICBC — Bosera — ICBC<br>— Flexible Allocation No. 5 Specific<br>Multi-customer Assets Management Plan | 20,000,000  | 2.00%                                 | None                               | Other                                 | Domestic Preference Shares |
| 10  | Ping An Life Insurance Company of China, Ltd.<br>— proprietary fund   | 19,000,000  | 1.90%                                 | None                               | Domestic non-state-owned legal person | Domestic Preference Shares |

#### Notes:

1. The Bank of New York Mellon Corporation, acting as the custodian for all the offshore preference shareholders that maintain an account with Euroclear and Clearstream as at 31 March 2019, held 399,400,000 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.
2. Both Yunnan Branch of China National Tobacco Corporation and China Shuangwei Investment Co., Ltd. are wholly-owned subsidiaries of China National Tobacco Corporation. Zhong Wei Capital Holdings Co., Ltd. is a subsidiary of China Shuangwei Investment Co., Ltd.
3. As at 31 March 2019, China Life Insurance Company Limited — dividend — personal dividend — 005L— FH002SH is one of both the Bank's top ten ordinary shareholders and top ten preference shareholders.
4. Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, and among the aforementioned preference shareholders and the Bank's top ten ordinary shareholders.

## II. SUMMARY OF ANALYSIS ON OVERALL OPERATING ACTIVITIES

During the first quarter of 2019, the Group achieved a profit for the period of RMB54.788 billion and a profit attributable to equity holders of the Bank of RMB50.965 billion, an increase of 4.99% and 4.01% respectively compared with the same period of 2018. Return on average total assets (ROA) was 1.02%, a decrease of 0.03 percentage point compared with the same period of 2018. Return on average equity (ROE) was 13.03%, a decrease of 0.89 percentage point compared with the same period of 2018. The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 11.38%, 12.51% and 15.03% respectively.

### 2.1 The principal components of the Group's consolidated income statement for the three-month period ended 31 March 2019 were as follows:

1. The Group's net interest income amounted to RMB89.381 billion, representing an increase of RMB5.507 billion or 6.57% compared with the same period of 2018. The net interest margin was 1.82%, a decrease of 0.03 percentage point compared with the same period of 2018.
2. The Group's non-interest income amounted to RMB51.625 billion, representing an increase of RMB9.413 billion or 22.30% compared with the same period of 2018. Non-interest income represented 36.61% of the total operating income, an increase of 3.13 percentage points compared with the same period of 2018. Particularly, net fee and commission income amounted to RMB27.355 billion, an increase of RMB1.573 billion or 6.10% compared with the same period of 2018.
3. The Group's operating expenses amounted to RMB47.658 billion, an increase of RMB4.261 billion or 9.82% compared with the same period of 2018. The cost to income ratio (calculated under domestic regulations) was 25.04%, a decrease of 1.17 percentage points compared with the same period of 2018.
4. The Group's impairment losses on assets amounted to RMB27.335 billion, an increase of RMB11.840 billion or 76.41% compared with the same period of 2018. The Group reported non-performing loans totalling RMB173.083 billion, and the ratio of non-performing loans to total loans was 1.42%. The ratio of allowance for loan impairment losses to non-performing loans was 184.62%.

## **2.2 The principal components of the Group's financial position as at 31 March 2019 were as follows:**

The Group's total assets amounted to RMB21,616.555 billion, an increase of RMB349.280 billion or 1.64% compared with the prior year-end. Total liabilities amounted to RMB19,798.900 billion, an increase of RMB257.022 billion or 1.32% compared with the prior year-end.

1. The Group's due to customers amounted to RMB15,645.212 billion, an increase of RMB761.616 billion or 5.12% compared with the prior year-end. Particularly, domestic RMB-denominated deposits amounted to RMB11,818.393 billion, an increase of RMB732.442 billion or 6.61% compared with the prior year-end.
2. The Group's loans and advances to customers amounted to RMB12,260.376 billion, an increase of RMB441.104 billion or 3.73% compared with the prior year-end. Particularly, domestic RMB-denominated loans amounted to RMB9,477.201 billion, an increase of RMB465.351 billion or 5.16% compared with the prior year-end.
3. The Group's investments amounted to RMB5,298.169 billion, an increase of RMB243.618 billion or 4.82% compared with the prior year-end. The RMB-denominated investments amounted to RMB4,087.720 billion, an increase of RMB109.084 billion or 2.74% compared with the prior year-end. Foreign currency-denominated investments amounted to USD179.765 billion, an increase of USD22.999 billion or 14.67% compared with the prior year-end.

### III. SIGNIFICANT EVENTS

#### 3.1 Significant changes in major financial data and indicators and the reasons thereof

Applicable

Not Applicable

The Group's key financial data and indicators which fluctuated over 30% compared with those as at the end of 2018, or compared with those for the three-month period ended 31 March 2018 are as follows:

Unit: RMB million, except percentages

| Items  | As at<br>31 March<br>2019 | As at<br>31 December<br>2018 | Change  | Main reasons  |
|--|---------------------------|------------------------------|---------|---|
| Other assets   | 172,845                   | 122,226                      | 41.41%  | Due to recognition of the right-of-use assets after initial adoption of IFRS16 <i>Leases</i> ; and increase in accounts receivable and prepayments. |
| Placements from banks and other financial institutions | 351,317                   | 612,267                      | -42.62% | Due to decrease in the amounts received from banks under repurchase agreements.   |
| Other equity instruments                               | 139,714                   | 99,714                       | 40.11%  | The Bank issued write-down undated capital bonds.   |
| Treasury shares  | (38)                      | (68)                         | -44.12% | Due to decrease in holdings by the Bank's subsidiary of the Bank's stocks.  |
| Other comprehensive income                             | 2,449                     | 1,417                        | 72.83%  | Due to change in fair value of financial assets at fair value through other comprehensive income.   |



Unit: RMB million, except percentages

| Items   | Three-month period ended 31 March 2019 | Three-month period ended 31 March 2018 | Change  | Main reasons  |
|---|--|--|---------|---|
| Net trading gains                                 | 8,154                                  | 1,561                                  | 422.36% | Due to increase in net gains from foreign exchange and foreign exchange products.                                   |
| Net gains on financial investments                | 2,620                                  | 495                                    | 429.29% | Due to increase in net gains from the disposal of debt securities at fair value through other comprehensive income. |
| Impairment losses on assets                       | (27,335)                               | (15,495)                               | 76.41%  | Due to increase in impairment losses on domestic loans.   |
| Share of results of associates and joint ventures | 338                                    | 489                                    | -30.88% | Due to decrease in share of results of associates.  |

### 3.2 Development of significant events, related impact and resolution

Applicable                       Not Applicable

### 3.3 Undertakings failed to be fulfilled during the reporting period

Applicable                       Not Applicable

### 3.4 Warnings and explanations of any forecasted losses or significant changes to accumulated net profit from the beginning of the year to the end of the next reporting period

Applicable                       Not Applicable

### 3.5 Implementation of cash dividend policy during the reporting period

Applicable                       Not Applicable

At the Board meeting held on 25 January 2019, the dividend distribution plan for the Bank's Domestic Preference Shares (Second Tranche) was approved. The Bank distributed a total of RMB1.540 billion (before tax) of dividends on the Domestic Preference Shares (Second Tranche) on 13 March 2019, with an annual dividend rate of 5.50% (before tax). The dividend distribution plan has been accomplished.

#### IV. QUARTERLY REPORT

This announcement is simultaneously available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and that of the Bank at [www.boc.cn](http://www.boc.cn). The 2019 first quarter report prepared in accordance with CAS is also available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and that of the Bank at [www.boc.cn](http://www.boc.cn).

**The Board of Directors of  
Bank of China Limited**

Beijing, PRC  
29 April 2019

*As at the date of this announcement, the directors of the Bank are: Liu Liange, Wu Fulin, Lin Jingzhen, Zhao Jie\*, Li Jucai\*, Xiao Lihong\*, Wang Xiaoya\*, Liao Qiang\*, Lu Zhengfei#, Leung Cheuk Yan#, Wang Changyun#, Angela Chao# and Jiang Guohua#.*

\* *Non-executive Directors*

# *Independent Non-executive Directors*

APPENDIX I — FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH IFRS)

Consolidated Income Statement

|   | Unit: RMB million                                    |                           |
|---|--|---------------------------|
|   | <b>For the three-month period<br/>ended 31 March</b> |                           |
|   | <b>2019</b><br>(unaudited)                           | <b>2018</b><br>(restated) |
| Interest income                                   | 181,222  | 161,676                   |
| Interest expense                                  | <u>(91,841)</u>                                      | <u>(77,802)</u>           |
| <b>Net interest income</b>                        | <b><u>89,381</u></b>                                 | <b><u>83,874</u></b>      |
| Fee and commission income                         | 30,698   | 28,612                    |
| Fee and commission expense                        | <u>(3,343)</u>                                       | <u>(2,830)</u>            |
| <b>Net fee and commission income</b>              | <b><u>27,355</u></b>                                 | <b><u>25,782</u></b>      |
| Net trading gains                                 | 8,154  | 1,561                     |
| Net gains on financial investments                | 2,620  | 495                       |
| Other operating income                            | <u>13,496</u>  | <u>14,374</u>             |
| <b>Operating income</b>                           | <b>141,006</b>                                       | <b>126,086</b>            |
| Operating expenses                                | (47,658)   | (43,397)                  |
| Impairment losses on assets                       | <u>(27,335)</u>                                      | <u>(15,495)</u>           |
| <b>Operating profit</b>                           | <b>66,013</b>  | <b>67,194</b>             |
| Share of results of associates and joint ventures | <u>338</u>   | <u>489</u>                |
| <b>Profit before income tax</b>                   | <b>66,351</b>  | <b>67,683</b>             |
| Income tax expense                                | <u>(11,563)</u>                                      | <u>(15,500)</u>           |
| <b>Profit for the period</b>                      | <b><u>54,788</u></b>                                 | <b><u>52,183</u></b>      |
| <b>Attributable to:</b>                           |  |                           |
| Equity holders of the Bank                        | 50,965   | 49,001                    |
| Non-controlling interests                         | <u>3,823</u>   | <u>3,182</u>              |
|   | <b><u>54,788</u></b>                                 | <b><u>52,183</u></b>      |
| Earnings per share (in RMB)                       |  |                           |
| — Basic   | 0.17   | 0.16                      |
| — Diluted   | <u>0.17</u>  | <u>0.16</u>               |

## Consolidated Statement of Comprehensive Income

Unit: RMB million

|  | For the three-month period<br>ended 31 March |                     |
|--|--|---------------------|
|  | 2019<br>(unaudited)                          | 2018<br>(unaudited) |
| <b>Profit for the period</b>   | <b>54,788</b>                                | <b>52,183</b>       |
| <b>Other comprehensive income</b>  |  |                     |
| <b>Items that will not be reclassified to profit or loss</b>   |  |                     |
| — Actuarial losses on defined benefit plans  | (52)   | (38)                |
| — Changes in fair value on investments in equity instruments designated at fair value through other comprehensive income   | 1,547  | (37)                |
| — Other  | (53)   | 1                   |
| Subtotal   | 1,442  | (74)                |
| <b>Items that may be reclassified subsequently to profit or loss</b>   |  |                     |
| — Changes in fair value on investments in debt instruments measured at fair value through other comprehensive income       | 3,018  | 2,741               |
| — Allowance for credit losses on investments in debt instruments measured at fair value through other comprehensive income | 74   | 70                  |
| — Share of other comprehensive income of associates and joint ventures accounted for using the equity method               | (66)   | (248)               |
| — Exchange differences from the translation of foreign operations  | (6,781)                                      | (10,962)            |
| — Other  | 1,952  | 175                 |
| Subtotal   | (1,803)                                      | (8,224)             |
| <b>Other comprehensive income for the period, net of tax</b>   | <b>(361)</b>                                 | <b>(8,298)</b>      |
| <b>Total comprehensive income for the period</b>   | <b>54,427</b>                                | <b>43,885</b>       |
| <b>Total comprehensive income attributable to:</b>   |  |                     |
| Equity holders of the Bank   | 52,032                                       | 44,086              |
| Non-controlling interests  | 2,395  | (201)               |
|  | <b>54,427</b>                                | <b>43,885</b>       |

## Consolidated Statement of Financial Position

Unit: RMB million

|  | As at<br>31 March<br>2019<br>(unaudited) | As at<br>31 December<br>2018<br>(audited) |
|--|--|---|
| <b>ASSETS</b>  |  |   |
| Cash and due from banks and other financial institutions               | 508,847                                  | 439,931                                   |
| Balances with central banks  | 1,954,694                                | 2,331,053                                 |
| Placements with and loans to banks and<br>other financial institutions | 1,000,408                                | 1,042,358                                 |
| Government certificates of indebtedness for bank notes issued          | 144,574                                  | 145,010                                   |
| Precious metals  | 189,996                                  | 181,203                                   |
| Derivative financial assets  | 92,872                                   | 124,126                                   |
| Loans and advances to customers, net                                   | 11,941,096                               | 11,515,764                                |
| Financial investments  | 5,298,169                                | 5,054,551                                 |
| — financial assets at fair value through profit or loss                | 417,254                                  | 370,491                                   |
| — financial assets at fair value through<br>other comprehensive income | 2,011,860                                | 1,879,759                                 |
| — financial assets at amortised cost                                   | 2,869,055                                | 2,804,301                                 |
| Investment in associates and joint ventures                            | 22,683                                   | 23,369                                    |
| Property and equipment   | 226,599                                  | 227,394                                   |
| Investment properties  | 22,020                                   | 22,086                                    |
| Deferred income tax assets   | 41,752                                   | 38,204                                    |
| Other assets   | 172,845                                  | 122,226                                   |
| <b>Total assets</b>  | <b>21,616,555</b>                        | <b>21,267,275</b>                         |

**Consolidated Statement of Financial Position (continued)**

Unit: RMB million

|  | <b>As at<br/>31 March<br/>2019</b> | <b>As at<br/>31 December<br/>2018</b> |
|--|------------------------------------|---------------------------------------|
|  | (unaudited)                        | (audited)                             |
| <b>LIABILITIES</b>   |                                    |                                       |
| Due to banks and other financial institutions                          | 1,624,060                          | 1,731,209                             |
| Due to central banks   | 792,034                            | 907,521                               |
| Bank notes in circulation  | 144,089                            | 145,187                               |
| Placements from banks and other financial institutions                 | 351,317                            | 612,267                               |
| Financial liabilities held for trading                                 | 16,115                             | 14,327                                |
| Derivative financial liabilities                                       | 88,633                             | 99,254                                |
| Due to customers   | 15,645,212                         | 14,883,596                            |
| Bonds issued   | 747,977                            | 782,127                               |
| Other borrowings   | 31,183                             | 32,761                                |
| Current tax liabilities  | 35,810                             | 27,894                                |
| Retirement benefit obligations   | 2,809                              | 2,825                                 |
| Deferred income tax liabilities  | 4,705                              | 4,548                                 |
| Other liabilities  | 314,956                            | 298,362                               |
|  | <hr/>                              | <hr/>                                 |
| <b>Total liabilities</b>   | <b>19,798,900</b>                  | <b>19,541,878</b>                     |
|  | <hr/>                              | <hr/>                                 |
| <b>EQUITY</b>  |                                    |                                       |
| <b>Capital and reserves attributable to equity holders of the Bank</b> |                                    |                                       |
| Share capital  | 294,388                            | 294,388                               |
| Other equity instruments   | 139,714                            | 99,714                                |
| Capital reserve  | 142,187                            | 142,135                               |
| Treasury shares  | (38)                               | (68)                                  |
| Other comprehensive income   | 2,449                              | 1,417                                 |
| Statutory reserves   | 157,544                            | 157,464                               |
| General and regulatory reserves  | 231,439                            | 231,525                               |
| Undistributed profits  | 735,869                            | 686,405                               |
|  | <hr/>                              | <hr/>                                 |
|  | <b>1,703,552</b>                   | <b>1,612,980</b>                      |
| <b>Non-controlling interests</b>                                       | <b>114,103</b>                     | <b>112,417</b>                        |
|  | <hr/>                              | <hr/>                                 |
| <b>Total equity</b>  | <b>1,817,655</b>                   | <b>1,725,397</b>                      |
|  | <hr/>                              | <hr/>                                 |
| <b>Total equity and liabilities</b>                                    | <b>21,616,555</b>                  | <b>21,267,275</b>                     |
|  | <hr/> <hr/>                        | <hr/> <hr/>                           |

**LIU Liange**  
*Director*

**WU Fulin**  
*Director*

## Consolidated Statement of Cash Flows

Unit: RMB million

|   | <b>For the three-month period<br/>ended 31 March</b> |                |
|---|--|----------------|
|   | <b>2019</b>  | <b>2018</b>    |
|   | (unaudited)  | (restated)     |
| <b>Cash flows from operating activities</b>   |  |                |
| Profit before income tax  | 66,351   | 67,683         |
| Adjustments:  |  |                |
| Impairment losses on assets   | 27,335   | 15,495         |
| Depreciation of property and equipment and<br>right-of-use assets   | 4,835  | 3,237          |
| Amortisation of intangible assets and other assets  | 955  | 776            |
| Net gains on disposal of property and equipment,<br>intangible assets and other long-term assets            | (89)   | (153)          |
| Share of results of associates and joint ventures   | (338)  | (489)          |
| Interest income arising from financial investments  | (37,611)   | (33,538)       |
| Dividends arising from investment securities  | (59)   | (50)           |
| Net gains on financial investments  | (2,620)  | (495)          |
| Interest expense arising from bonds issued  | 6,945  | 4,411          |
| Accreted interest on impaired loans   | (396)  | (460)          |
| Net changes in operating assets and liabilities:  |  |                |
| Net increase in balances with central banks   | (19,895)   | (33,811)       |
| Net (increase)/decrease in due from, placements with<br>and loans to banks and other financial institutions | (26,911)   | 67,316         |
| Net (increase)/decrease in precious metals  | (8,795)  | 12,301         |
| Net increase in loans and advances to customers   | (448,209)  | (235,363)      |
| Net increase in other assets  | (65,586)   | (37,679)       |
| Net (decrease)/increase in due to banks and<br>other financial institutions                                 | (104,869)  | 232,198        |
| Net decrease in due to central banks  | (115,276)  | (101,056)      |
| Net decrease in placements from banks and<br>other financial institutions                                   | (260,836)  | (231,240)      |
| Net increase in due to customers  | 763,257  | 693,174        |
| Net decrease in other borrowings  | (1,578)  | (4,203)        |
| Net decrease in other liabilities   | (2,257)  | (30,734)       |
| Cash (outflow)/inflow from operating activities   | (225,647)  | 387,320        |
| Income tax paid   | (9,509)  | (4,638)        |
| Net cash (outflow)/inflow from operating activities   | <b>(235,156)</b>                                     | <b>382,682</b> |

## Consolidated Statement of Cash Flows (continued)

Unit: RMB million

|   | For the three-month period<br>ended 31 March |                         |
|---|--|-------------------------|
|   | 2019<br>(unaudited)                          | 2018<br>(restated)      |
| <b>Cash flows from investing activities</b>   |  |                         |
| Proceeds from disposal of property and equipment,<br>intangible assets and other long-term assets | 265  | 1,685                   |
| Dividends received  | 73   | 60                      |
| Interest income received from financial investments   | 29,452                                       | 26,583                  |
| Proceeds from disposal/maturity of financial investments  | 454,271                                      | 439,425                 |
| Increase in investment in subsidiaries, associates and<br>joint ventures                          | (221)  | –                       |
| Purchase of property and equipment, intangible assets and<br>other long-term assets               | (6,794)                                      | (6,334)                 |
| Purchase of financial investments   | (640,771)                                    | (550,397)               |
| Net cash outflow from investing activities  | <b>(163,725)</b>                             | <b>(88,978)</b>         |
| <b>Cash flows from financing activities</b>   |  |                         |
| Proceeds from issuance of bonds   | 84,022                                       | 104,549                 |
| Proceeds from issuance of undated capital bonds   | 40,000                                       | –                       |
| Repayments of debts issued  | (114,069)                                    | (26,232)                |
| Cash payments for interest on bonds issued  | (3,045)                                      | (11,036)                |
| Dividend payments to equity holders of the Bank   | (1,540)                                      | (1,540)                 |
| Dividend and coupon payments to non-controlling interests   | (670)  | (46)                    |
| Other net cash flows from financing activities  | 30   | 75                      |
| Net cash inflow from financing activities   | <b>4,728</b>                                 | <b>65,770</b>           |
| Effect of exchange rate changes on cash and cash equivalents                                      | (10,942)                                     | (13,524)                |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                       | <b>(405,095)</b>                             | <b>345,950</b>          |
| Cash and cash equivalents at beginning of the period  | 1,688,600                                    | 958,752                 |
| Cash and cash equivalents at end of the period  | <b><u>1,283,505</u></b>                      | <b><u>1,304,702</u></b> |



## APPENDIX II — CAPITAL ADEQUACY RATIO, LEVERAGE RATIO AND LIQUIDITY COVERAGE RATIO

### I. Capital Adequacy Ratio

Unit: RMB million, except percentages

|   | <b>As at<br/>31 March<br/>2019</b> | <b>As at<br/>31 December<br/>2018</b> |
|---|------------------------------------|---------------------------------------|
| <b>Calculated in accordance with the <i>Capital Rules for Commercial Banks (Provisional)</i><sup>Note</sup></b> |                                    |                                       |
| Net common equity tier 1 capital  | 1,513,286                          | 1,465,769                             |
| Net tier 1 capital  | 1,662,406                          | 1,575,293                             |
| Net capital   | 1,997,916                          | 1,922,350                             |
| Common equity tier 1 capital adequacy ratio   | 11.38%                             | 11.41%                                |
| Tier 1 capital adequacy ratio   | 12.51%                             | 12.27%                                |
| Capital adequacy ratio  | <u>15.03%</u>                      | <u>14.97%</u>                         |

Note: The capital adequacy ratios are calculated under the advanced approaches in accordance with the *Capital Rules for Commercial Banks (Provisional)* by using the following to measure risk-weighted assets: Internal Ratings-Based Approach for credit risk, Internal Models Approach for market risk and Standardised Approach for operational risk.

### II. Leverage Ratio

The leverage ratios of the Group calculated in accordance with the *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)* and the *Capital Rules for Commercial Banks (Provisional)* are as follows:

Unit: RMB million, except percentages

| <b>Items</b>                                  | <b>As at<br/>31 March<br/>2019</b> | <b>As at<br/>31 December<br/>2018</b> | <b>As at<br/>30 September<br/>2018</b> | <b>As at<br/>30 June<br/>2018</b> |
|---|------------------------------------|---------------------------------------|--|-----------------------------------|
| Net tier 1 capital                            | 1,662,406                          | 1,575,293                             | 1,542,039                              | 1,486,972                         |
| Adjusted on- and off-<br>balance sheet assets | <u>23,032,078</u>                  | <u>22,700,133</u>                     | <u>22,556,634</u>                      | <u>21,764,394</u>                 |
| Leverage ratio                                | <u>7.22%</u>                       | <u>6.94%</u>                          | <u>6.84%</u>                           | <u>6.83%</u>                      |

### III. Liquidity Coverage Ratio

According to the *Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks*, the Group disclosed the information of liquidity coverage ratio (“LCR”)<sup>(1)</sup> as follows.

#### Regulatory requirements of liquidity coverage ratio

As stipulated by the *Rules on Liquidity Risk Management of Commercial Banks* issued by China Banking and Insurance Regulatory Commission (“CBIRC”), the commercial banks’ LCR should reach 100% by the end of 2018.

#### The Group’s liquidity coverage ratio

Since 2017, the Group measured the LCR on a day-to-day consolidated basis<sup>(2)</sup>. In the first quarter of 2019, the Group measured 90-day LCR on this basis, with average ratio standing at 149.24%<sup>(3)</sup>, representing an increase of 9.58 percentage points over the previous quarter, which was primarily due to the decrease in the net cash outflows.

The Group’s high-quality liquid assets (“HQLA”) is comprised of cash, central bank reserves which are able to be drawn down under stress scenarios, and debt securities that meet the qualifying criteria for Level 1 or Level 2 assets pursuant to the *Rules on Liquidity Risk Management of Commercial Banks* by the CBIRC.

|                      | 2019           | 2018           |                |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | Quarter ended  | Quarter ended  | Quarter ended  | Quarter ended  |
|                      | 31 March       | 31 December    | 30 September   | 30 June        |
| Average value of LCR | <u>149.24%</u> | <u>139.66%</u> | <u>133.73%</u> | <u>126.55%</u> |

### III. Liquidity Coverage Ratio (continued)

The Group's average values of LCR individual line items in the first quarter of 2019 are as follows:

|                                   |   | Unit: RMB million, except percentages |                                     |
|-----------------------------------|---|---------------------------------------|-------------------------------------|
| No.                               |   | Total<br>un-weighted<br>value         | Total<br>weighted<br>value          |
| <b>High-quality liquid assets</b> |   |                                       |                                     |
| 1                                 | Total high-quality liquid assets (HQLA)   |                                       | 4,005,795                           |
| <b>Cash outflows</b>              |   |                                       |                                     |
| 2                                 | Retail deposits and deposits from<br>small business customers, of which:                  | 7,004,191                             | 514,798                             |
| 3                                 | Stable deposits   | 3,587,729                             | 173,152                             |
| 4                                 | Less stable deposits  | 3,416,462                             | 341,646                             |
| 5                                 | Unsecured wholesale funding, of which:  | 8,234,134                             | 3,140,521                           |
| 6                                 | Operational deposits (excluding those generated<br>from correspondent banking activities) | 4,441,225                             | 1,095,245                           |
| 7                                 | Non-operational deposits (all counterparties)   | 3,739,360                             | 1,991,727                           |
| 8                                 | Unsecured debt  | 53,549                                | 53,549                              |
| 9                                 | Secured funding   |                                       | 870                                 |
| 10                                | Additional requirements, of which:  | 3,319,272                             | 2,218,450                           |
| 11                                | Outflows related to derivative exposures and<br>other collateral requirements             | 2,116,706                             | 2,116,706                           |
| 12                                | Outflows related to loss of funding on<br>debt products                                   | 2,488                                 | 2,488                               |
| 13                                | Credit and liquidity facilities   | 1,200,078                             | 99,256                              |
| 14                                | Other contractual funding obligations   | 56,380                                | 56,380                              |
| 15                                | Other contingent funding obligations  | 2,258,784                             | 51,241                              |
| 16                                | <b>Total cash outflows</b>  |                                       | 5,982,260                           |
| <b>Cash inflows</b>               |   |                                       |                                     |
| 17                                | Secured lending (including reverse repos and<br>securities borrowing)                     | 172,378                               | 156,114                             |
| 18                                | Inflows from fully performing exposures   | 1,369,985                             | 891,583                             |
| 19                                | Other cash inflows  | 2,339,830                             | 2,236,797                           |
| 20                                | <b>Total cash inflows</b>   | 3,882,193                             | 3,284,494                           |
|                                   |   |                                       | <b>Total<br/>adjusted<br/>value</b> |
| 21                                | <b>Total HQLA</b>   |                                       | 4,005,795                           |
| 22                                | <b>Total net cash outflows</b>  |                                       | 2,697,766                           |
| 23                                | <b>Liquidity coverage ratio (%)</b>   |                                       | 149.24%                             |

### **III. Liquidity Coverage Ratio (continued)**

- (1) The LCR aims to ensure that commercial banks have sufficient HQLA that can be converted into cash to meet the liquidity requirements for at least thirty days under stress scenarios determined by the CBIRC.
- (2) When calculating the consolidated LCR, Bank of China Group Investment Limited, Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited were excluded from the scope of consolidation in accordance with the requirements of the CBIRC.
- (3) The average of LCR and the averages of all related individual items are the day-end simple arithmetic averages of figures.